

Agenda Date: 6/26/02 Agenda Item: 3B

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CABLEVISION OF MONMOUTH, INC. FOR RENEWAL OF A CERTIFICATE OF APPROVAL TO CONTINUE TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE TOWNSHIP OF LAKEWOOD, COUNTY OF OCEAN, STATE OF NEW JERSEY

RENEWAL
CERTIFICATE OF APPROVAL

**DOCKET NO. CE00100758** 

Schenck, Price, Smith & King, Morristown, New Jersey, by James Eric Andrews, Esq., for the Petitioner.

Township Clerk, Township of Lakewood, New Jersey, by Bernadette Standowski, for the Township.

## BY THE BOARD1:

On October 27, 1982, the Board granted Ocean Cablevision Associates d/b/a Lakewood Cable TV Company, Inc. ("OCA"), a Certificate of Approval in Docket No. 818C-6817 for the construction, operation and maintenance of a cable television system in the Township of Lakewood ("Township"). On March 30, 1988, the Board approved the transfer of the Certificate of Approval from OCA to Monmouth Cablevision Associates ("MCA"). On May 17, 1994, the Board approved the sale of MCA to Cablevision of Monmouth, Inc. in Docket No. CM93120537. The Petitioner's Certificate expired on October 27, 1997, however, it is authorized to continue to provide cable television service to the Township pursuant to N.J.S.A. 48:5A-25.

The Petitioner filed an application for the renewal of its municipal consent with the Township on April 22, 1997, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The Township held a public hearing on the application, adopted an ordinance granting renewal of municipal consent on June 24, 1999, and subsequently amended the ordinance on December 30, 1999. On August 30, 2000, the Petitioner formally rejected the ordinance.

<sup>&</sup>lt;sup>1</sup> Commissioner Carol J. Murphy did not participate in the deliberations or vote on this matter.

On October 6, 2000, pursuant to N.J.S.A. 48:5A-17(d), the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Township. The Petitioner alleged that the Township, by not granting the renewal municipal consent, was arbitrary, capricious and its decision was unsupported by the record because the Township did not issue a renewal period of 15 years. On October 26, 2000, the Township filed an answer to the petition.

Discussions took place between the parties that culminated in a settlement that resolved the matter. Pursuant to those discussions, the Township adopted an ordinance granting renewal of its municipal consent on November 29, 2001. On January 4, 2002, the Petitioner accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24. On February 20, 2002, the Petitioner filed an amended petition with the Board.

The Board has reviewed the application for municipal consent, the petition and amended petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board <u>HEREBY</u> FINDS the following:

- 1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, these qualifications were reviewed by the Township in conjunction with the municipal consent process. See N.J.S.A. 48:5A-22 to 29 and N.J.A.C. 14:18-13.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is fifteen years. The Board finds this period to be of reasonable duration.
- 5. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I"). The minimum homes per mile ("HPM") figure is 20.
- 6. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates, and promptly file any revisions thereto.
- 7. Pursuant to N.J.S.A. 48:5A-26(b), the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Township. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with N.J.A.C. 14:17-6.5.
- 8. The Petitioner shall maintain a local business office or agent, within the Township, for the purpose of receiving, investigating and resolving complaints. Currently, the local office serving this provision is located at 406 Clifton Avenue in the Township.

- 9. The franchise fee to be paid to the Township is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Township. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
- 10. Within 30 months of receipt of this Certificate, the Petitioner shall complete an upgrade/rebuild to a 750 MHz system with a minimum channel capacity of 80 analog channels. Pursuant to the ordinance, the Petitioner shall provide the Township's Clerk and Manager with a quarterly written report on the status of the rebuild/upgrade and shall maintain the system in the Township to the extent promised in Section 20.B.
- 11. The Petitioner shall provide public, educational and governmental ("PEG") access services, videotapes of programming, technical support, training and facilities as described in the application and the municipal consent ordinance.
- 12. Upon completion of the rebuild, the Petitioner shall provide a PEG access channel dedicated to the Township. The Petitioner shall also provide an additional PEG access channel if the Township's programming levels exceed the usage requirements as stated in the ordinance. The Petitioner shall provide technical assistance and training to personnel designated by the Township and its Advisory Committee to assist the Township or its students in the production of PEG access programming.
- 13. Within 60 days of date of this Certificate, the Petitioner shall provide the Township with a capital contribution of \$85,000.00 for the purpose of purchasing PEG access equipment for a studio that shall be located in a place designated by the Township and which is reasonably accessible to the Petitioner's existing cable system in the Township. At the end of the seventh year of the franchise term (by October 23, 2005), the Petitioner shall provide an additional \$10,000.00 grant for the purpose of upgrading and/or replacing equipment for this studio.
- 14. The Petitioner shall install return lines to the Township's High School, Georgian Court College and Beth Modrash Gova to enable the origination of PEG access programming from those sites. In the event the Township shall designate an alternative location for the establishment of its studio, the Township shall be able to substitute the new studio for one of the three locations designated. In no event shall the Petitioner be required to provide more than three access return lines within the Township.
- 15. In accordance with the ordinance, the Petitioner shall reimburse the Township's Board of Education for one-time installation fees, incurred pursuant to its contract for private based fiber network service, not to exceed \$35,000.00. The fiber based private network is capable of providing voice, video or data traffic, subject to agreement for such service, between the Board of Education facilities in the Township as described in Exhibit A of the ordinance. During the system upgrade, the Petitioner shall install the requisite wiring to allow any group of contiguous households numbering in excess of 250 in age restricted villages, the technical capability to broadcast closed circuit non-commercial programming with all necessary video, audio and VCR equipment.

- 16. The Petitioner shall install and provide basic and expanded monthly service to one-half of public school classrooms in the Township, free of charge. The installations shall be completed within one year of issuance of this Certificate. The Petitioner shall provide basic and expanded monthly service, free of charge, to the following municipal properties: a) the public library; b) the municipal building; c) the Township's Community Center; d) the police station; e) each fire house; f) each first aid squad; and g) each emergency management department, within the Township, at no charge.
- 17. The Petitioner shall provide the standard installation of Internet access available on one cable modem and monthly service to each public school and public library, at no charge. The Petitioner shall permit each such location to network up to 25 personal computer terminals to the cable modem provided by the Petitioner. The Petitioner shall also provide a router to each eligible school and library to enable the multiple connection of such computers to the cable modem provided. The Petitioner shall provide one cable modem and monthly Internet access, free of charge, to the Township's Municipal Building. The Township shall be permitted, at its own cost, to network up to three additional personal computer terminals.
- 18. The Petitioner has agreed to offer a senior citizens' discount in the amount of 25% for persons meeting the eligibility requirements of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program pursuant to N.J.S.A. 30:4D-21 and N.J.A.C. 14:18-3.20.
- 19. Upon the request of the Township, the Petitioner and the Township's Cable Television Advisory Committee shall meet on a semi-annual basis to review all matters relating to cable television in the Township, which may include the rebuild/upgrade.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u> that, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), the Petitioner has sufficient financial and technical capacity and meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Township.

This Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein.

The Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> Section 76.1 <u>et seq.</u> Any modifications to the provisions thereof shall be incorporated into this Certificate. Additionally and more specifically, the Petitioner shall adhere to the technical standards of 47 <u>C.F.R.</u> Part 76, Subpart K.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or the Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire October 27, 2012.

DATED:	June 26, 2002	BOARD OF PUBLIC UTILITIES

BY:

(signed)

JEANNE M. FOX PRESIDENT

(signed)

FREDERICK F. BUTLER COMMISSIONER

(signed)

CONNIE O. HUGHES COMMISSIONER

ATTEST:

(signed)

KRISTI IZZO SECRETARY